

ASSEMBLY BILL

No. 1054

**Introduced by Assembly Member Chesbro
(Principal coauthor: Assembly Member Lowenthal)**

February 22, 2013

An act to amend Section 5912 of the Welfare and Institutions Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

AB 1054, as introduced, Chesbro. Mental health: skilled nursing facility: reimbursement rate.

Existing law provides for the licensure and regulation of health facilities, including skilled nursing facilities, by the State Department of Public Health. Existing law requires the State Department of Health Care Services to contract with skilled nursing facilities that have been designated by the State Department of Mental Health as institutions for mental disease to provide services to the residents. Existing law also provides procedures for the transfer of programmatic and fiscal responsibilities for mental health services from the state to counties. Under existing law, as long as contracts require institutions for mental disease to continue to be licensed as skilled nursing facilities, they are reimbursed at a specified rate.

This bill would set the reimbursement rate for services in those institutions for mental disease at the rate established through negotiations between the institution and the county in which it is located. By imposing new duties on local agencies this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5912 of the Welfare and Institutions Code
2 is amended to read:

3 5912. ~~(a) As long as contracts require institutions for mental~~
4 ~~disease to continue to be licensed and certified as skilled nursing~~
5 ~~facilities by the State Department of Public Health, they shall be~~
6 ~~reimbursed for basic services at the rate established by the State~~
7 ~~Department of Health Care Services. Except as provided in this~~
8 ~~section, reimbursement rates for services in institutions for mental~~
9 ~~disease shall be the same as the rates in effect on July 31, 2004.~~
10 ~~Effective July 1, 2005, through June 30, 2008, the reimbursement~~
11 ~~rate for institutions for mental disease shall increase by 6.5 percent~~
12 ~~annually. Effective July 1, 2008, the reimbursement rate for~~
13 ~~institutions for mental disease shall increase by 4.7 percent annually~~
14 ~~through negotiations between the institution for mental disease~~
15 ~~and the county in which it is located.~~

16 ~~(b) Notwithstanding subdivision (a), from July 1, 2010, to June~~
17 ~~30, 2012, inclusive, the reimbursement rate for services in~~
18 ~~institutions for mental disease that are licensed and certified as~~
19 ~~skilled nursing facilities shall be the same as the rates in effect on~~
20 ~~July 1, 2009.~~

21 SEC. 2. If the Commission on State Mandates determines that
22 this act contains costs mandated by the state, reimbursement to
23 local agencies and school districts for those costs shall be made
24 pursuant to Part 7 (commencing with Section 17500) of Division
25 4 of Title 2 of the Government Code.

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